

### **REMARKS**

The Examiner, in paragraph 1 of the official action, rejected claim 1 under 35 USC § 102(b) as being anticipated by Yamauchi et al. (5,575,507) for the reasons set forth therein. Applicant respectfully submits that claim 1 in its present form is not taught or suggested as suggested by the Examiner. In particular, claim 1 has been amended to specifically set forth that the forming of the machine-readable indicia occurs during application of the protective overlayer. This is clearly not taught or suggested by the prior art. This is important as this provides an economical manner in which to produce the product. In addition, applicant respectfully submits that the Yamauchi et al. reference does not disclose a machine-readable indicia. Column 4, lines 20-23 simply states that the design formed thereon may be viewed by application of infra-red, ultraviolet or other rays. This does not teach or suggest that it is machine-readable, merely that it is necessary to view the images under a particular set of conditions. Accordingly, applicant respectfully submits that claim 1 is patentably distinct over the cited prior art.

The Examiner, in paragraph 2, rejected claims 2, 3, 4, 6 and 7 under 35 USC § 103(a) as being unpatentable over Yamauchi et al. for the reasons set forth therein. Claim 2, 6 and 7 upon which the remaining claims depend at least ultimately, have all been amended to include the limitation that the application of the machine-readable indicia is formed during application of the protective layer over the receiving layer. Thus, these claims are patentably distinct for the same reasons previously discussed with regard to independent claim 1.

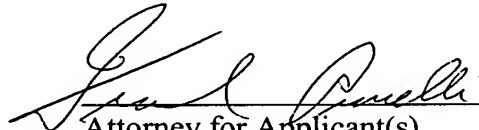
Applicants have also provided new dependent claims which depend at least ultimately upon the above-described independent claims which specifically set forth that the indicia comprises a machine-readable code or more specifically a bar code. This is clearly not taught or suggested in the Yamauchi et al. reference. Thus, these claims are also patentably distinct for these additional reasons.

It is respectfully submitted that functional limitations are appropriate and must be appropriately considered in determining patentability. Applicant refers the Examiner to MPEP 2173.05(g). As set forth therein, it is

stated that "There is nothing inherently wrong with defining some part of an invention in functional terms. Functional language does not, in and of itself, render a claim improper *In re Swinehart* 439 F.2d, 210, 169 USPQ 226 (CCPA 1971)."

In view of the foregoing it is respectfully submitted that the claims in their present form are in condition for allowance and such action is respectfully requested.

Respectfully submitted,

  
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